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RUEHVL/AMEMBASSY VILNIUS PRIORITY 0114
RUEHFK/AMCONSUL FUKUOKA PRIORITY 4943
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 8056
RUEHKSO/AMCONSUL SAPPORO PRIORITY 6132
RUEHIN/AIT TAIPEI PRIORITY 5928
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RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 05 TOKYO 001159

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SUBJECT: AMBASSADOR'S LUNCH WITH VFM YACHI: MAR 2, 2006

Classified By: AMBASSADOR J. THOMAS SCHEIFFER. REASONS: 1.4 (b),(d).

¶1. (C) SUMMARY: During a working lunch with VFM Yachi on March 2nd, the Ambassador:
-- Warned a realistic solution on beef must be found soon.
-- Expressed concern over leaks of the KEEN EDGE exercise.
-- Praised PM Koizumi's warning to Iranian FM Mottaki.
-- Urged Japan to participate in a PRT in Iraq.
-- Welcomed Japan's decision to delay suit on land/lease issue.
-- Informed Yachi of his forthcoming visit to Niigata City on March 16.

VFM Yachi:
-- Said PM Koizumi looked forward to visiting the U.S. in June.
-- Claimed recent bone-in beef shipment "cut the legs out from under" MOFA.
-- Stated Iran posed a "difficult dilemma" for Japan.
-- Said MOFA was exploring civilian PRT participation.
-- Welcomed the Ambassador's trip to Niigata to meet with abductee families.
-- Repeated his request that SE Leftkowitz visit Japan.
-- Requested Taiwan and Central Asia be added to the bilateral talks in Sydney.
-- Agreed Japan would support Guatemala for GRULAC seat.
-- Said he is pressing to open a Japanese embassy in Lithuania.

Yachi also reported he will travel to Washington March 14-18, that FM Aso will visit there the last week of April, and that PM Koizumi agrees with the White House proposal that he visit Washington at the end of June (and hopes also to go to Memphis). END SUMMARY

Reopening the Beef Market

¶2. (C) At the start of their March 2, 2006 working lunch at the EMR, Vice Foreign Minister Shintaro Yachi informed the Ambassador that he would be traveling to Washington March 14-18. "You will get an earful on beef," the Ambassador predicted, stressing to Yachi that "What the Japanese government needs to realize is that we can't go through another two-year process to re-open the market." We must narrow the issues, target the concerns and resolve the issue

soon, Ambassador Schieffer emphasized.

13. (C) The Japanese government will soon respond to the U.S. report on the January shipment of bone-in veal by asking questions, Yachi replied. He added that Japan welcomes an experts' visit and is willing to work together with the United States to "persuade the Japanese people" it is safe to re-open the market. "Frankly speaking, this incident has cut the legs out from under us," Yachi explained, asking that Washington "help the Japanese recover" by seriously addressing the questions Japan will raise. It is a problem of confidence not of safety, Yachi claimed. While the situation is bad, it would be even more disastrous if another incident occurred after the market was re-opened.

14. (C) The Ambassador acknowledged that the January incident was a mistake, and expressed understanding for the situation the Japanese government now faces, but strongly pointed out that no inspection system is perfect. It is "unrealistic" for the Japanese government to insist on that kind of impossible guarantee, he said. "We don't hold Japan to such a standard on its imports, and it is unrealistic for Japan to hold the United States to such a standard of perfection." He warned Yachi of the growing anger in Congress. "We are talking about three boxes of veal chops," the Ambassador said, pointing out that Japan could have simply de-listed the errant company. What we don't hear are Japanese officials calmly pointing out the facts of the situation, the Ambassador added. Japanese leaders need to begin expressing some satisfaction with our sincere efforts to resolve this issue, the Ambassador stressed, in order to lay the predicate for exiting this political minefield.

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Trilateral Strategic Dialogue (TSD) in Sydney

15. (C) North America Affairs Bureau Director General Kawai, who also attended the lunch, informed the Ambassador that FM Aso will arrive in Sydney at approximately 9:00 a.m. on March 18 to participate in the TSD. Yachi said his minister would be prepared to discuss the regional situation in East Asia and the rise of China at the U.S.-Japan Strategic Dialogue that morning, but stressed he felt it was also important to discuss Taiwan, a subject he said Tokyo is viewing with "increasing concern."

16. (C) VFM Yachi also requested a discussion of Central Asia be included in the bilateral. According to Yachi, many Central Asian states are concerned about the rising influence of Russia and China, while the United States appears to be reducing its involvement in parts of the region. The European Union is very interested in Central Asia and would like to consult with us on ways to strengthen our ties, Yachi said, adding that he thinks this would be an interesting topic for the Secretary and FM Aso to discuss. The Ambassador agreed and took that opportunity to encourage increased Japanese interaction with NATO.

17. (C) Following on his request to add additional items to the Strategic Dialogue, Yachi further requested that the bilateral be lengthened to "at least one hour," instead of the 45 minutes that has been notionally suggested. As justification, he pointed out that FM Aso will want to comment on relations with ASEAN, India, and Russia as important components of Japan's overall strategy for dealing with the rise of China. Furthermore, he added with a wry laugh, Japan is much more interested in the bilateral strategic dialogue with the United States than it is with the trilateral discussion.

Force Transformation (DPRI)

18. (C) Addressing a list of DPRI issues, DG Kawai started by

reporting the "good news" that on March 1st the Mayor of the Town of Yu had accepted the plan for redeployment of the Atsugi based carrier-born aircraft to Iwakuni Airbase. That sends a good signal to the people of Iwakuni, Kawai observed.

There would be a meeting later in the day at the Prime Minister's office to discuss the financial issues related to the transfer of Marines from Okinawa to Guam. The people in Yokosuka were closely watching Senator Warner's bill regarding retirement of the USS John F. Kennedy, because if it is truly retired, the Mayor of Yokosuka can tell his constituents there is no other non-nuclear carrier available to replace the USS Kitty Hawk. MOFA is currently preparing a document that explores the safety aspects of hosting a nuclear carrier, Kawai said, with completion of that report expected to take "several more weeks."

¶9. (C) The Ambassador responded that the Prime Minister's statement that basing the nuclear carrier in Japan was "in the interest of Japan" had sent a very positive message that indicated the maturing of our alliance, and the equal partnership upon which it is based. Statements like that also greatly enhance the PM's relationship with Washington, the Ambassador pointed out.

KEEN EDGE Leak

¶10. (C) The Ambassador expressed serious concern over Japanese government leaks to the media regarding the content of the KEEN EDGE joint U.S.-Japan military gaming exercise. The exercise explored scenarios including conflict with the PRC and North Korea. Ambassador Schieffer acknowledged that leaks are common in politics, but stressed that in matters of operational security they are very serious, do not serve U.S. interests, and work against Japan's own interest as well. Such a leak "throws cold water" in the faces of all those who

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would like to increase security cooperation with Japan, he stated. "I agree 100 percent," Yachi replied, "That leak was a terrible thing."

The Middle East

¶11. (C) Turning to the Middle East, the Ambassador and VFM Yachi briefly discussed the situation in Iran, Iraq, and Palestine. On Iran, the Ambassador praised PM Koizumi for the "strong point" he made to visiting Iranian Foreign Minister Mottaki earlier in the week when he warned Mottaki that Japan had become isolated in the 1930s and 40s, with disastrous consequences. Yachi replied that Iran posed a "difficult dilemma" for Japan and added that he too had made the same argument to the Iranians about the dangers of becoming isolated from the international community.

¶12. (C) The Ambassador strongly urged Japanese participation in a PRT in Iraq. Yachi replied that he was "not optimistic," but claimed MOFA was exploring possibly sending "some experts" to aid the work of an appropriate PRT. The Vice Foreign Minister made it clear, however, that any Japanese contingent would not include SDF forces. He requested a confidential discussion be held between Tokyo and Washington to explore that possibility and urged the United States offer up some ideas and expert-level consultations so MOFA would have something specific to advocate.

Chancery Lease Issue

¶13. (C) The Ambassador thanked Yachi for the Japanese government's decision to delay filing a lawsuit on the Chancery land issue until March 28. He believed we have made good progress on the issue and that the matter will eventually be resolved. He cautioned, however, that Japan may be expecting more with regard to the sovereignty issue

than is likely to be worked out in the end. Yachi pledged the best efforts of his government and said Tokyo awaits Washington's response.

Ambassador's Visit to Niigata

¶14. (C) The Ambassador informed Yachi of his intention to fulfill a promise he had previously made to the families of the abductees that he would visit some abduction sites in Niigata City. He asked Yachi if the visit -- which he explained would take place on March 16, in conjunction with a port call in Niigata by the USS Gary -- posed any problems for the Japanese government. "No," Yachi replied, "We want you to go." Yachi then repeated an earlier request by Tokyo that Special Envoy Leftkowitz pay a visit to Japan as soon as possible to highlight our shared concern for the abysmal human rights situation in the DPRK.

Japan-China Relations

¶15. (C) During the 15 hours of meetings he had held with Chinese VFM Dai Bingguo in February the Chinese side had been intent on seeking assurance the next Japanese prime minister will not go to Yasukuni Shrine, Yachi recounted. Dai told Yachi that he should not "ignore the hearts of 1.3 billion people." The two sides agreed their relationship should be "forward looking" Yachi said, but added that Dai had been very insistent about Yasukuni. Asked by the Ambassador whether the Chinese had acknowledged in any way Koizumi's attempt to lower the profile of his visits to the shrine, Yachi replied that "for Beijing the issue is whether the Prime Minister goes or not, period." Yachi offered his impression that the PRC was reacting with "moderation" to what he admitted were "vocal statements" by possible Koizumi successor Taro Aso. "And they are so far silent on Abe," he added. He also noted that Beijing treats Japanese officials very differently depending on their perceived stance towards China, citing the good treatment received by METI Minister

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Nikai in Beijing and the meeting cancellations and cold shoulder meted out to LDP Leader Hidenao Nakagawa during his visit to the PRC. "It's a kind of discrimination policy," Yachi joked. Yachi said he pointed out to the Chinese that both Abe and Aso had very carefully avoided saying that they definitely would go to Yasukuni if they became PM, and warned the Chinese they should avoid telling Koizumi's successor that he could not go.

Taiwan

¶16. (C) During his meetings with Dai, as well as in a phone call from Chinese Ambassador to Japan Wang Yi on March 1, the Chinese had taken great pains to convey their dissatisfaction with President Chen Shui-bian's announcement that he would "freeze" the National Unification Council, Yachi continued. They had also stated their firm opposition to former President Lee Teng-hui's proposed May visit to Japan. Asked for his views on both matters, Yachi replied that he did not agree with Chen's move and that Japan did not want to see any actions taken that would worsen the security situation in the Taiwan Strait. As for the Lee visit, he said the Japanese government would issue him a visa so long as he is traveling to Japan as a private citizen and does not engage in meetings with Japanese officials.

UNSC Reform/GRULAC Seat

¶17. (C) Japan desires a positive U.S. response to the Option C proposal for UNSC reform, Yachi stressed. He and the Ambassador agreed that the March 18 Trilateral Strategic Dialogue provides a good opportunity for the Secretary and FM Aso to further discuss the issue. Yachi said Japan would

join the United States in supporting Guatemala's bid over Venezuela to gain the Group of Latin American Countries (GRULAC) seat on the UNSC for 2007-2008. "Foreign Minister Aso has already conveyed Japan's pledge of support to the Guatemalan government," he said.

Mutual Legal Assistance Treaty (MLAT)

¶18. (C) At Yachi's request, the Ambassador updated him on the status of Senate action on the MLAT, pointing out that he could not predict when the Senate Foreign Relations Committee might refer it for consideration by the full Senate. The Ambassador told Yachi we were aware of no problem with the MLAT itself, but since it is queued up with other legislation before the committee we can't say exactly when Senate passage can be expected. Yachi indicated the Japanese Embassy would likely check on the status of the treaty with Senator Lugar's office in the near future because Japan is considering submitting a Japan-ROK MLAT to the Diet in May. When it does, MOFA will be asked by the Diet about the status of the U.S.-Japan MLAT, so it would be helpful to know its status and even better if it had passed the Senate by then, Yachi explained.

Upcoming High Level Visits

¶19. (C) In addition to his own March 14-18 visit to Washington, Yachi advised that FM Aso plans to travel to Washington the last week of April. That trip will be followed by an Aso visit during the Japanese Golden Week holiday to Brussels and Latvia. Yachi added that he is also recommending Japan establish an embassy in Lithuania, where they have only a small representative office at present. In response to the Ambassador's earlier encouragement for Japan to build its relations with NATO, Yachi explained that FM Aso will deliver a speech on the subject during his visit to Brussels. His stop in Latvia is intended to demonstrate Japan's desire to build closer relations with the Baltic states, 'with Russia in mind,' Yachi explained.

¶20. (C) Finally, Yachi stated that the June 29 date proposed by the White House for the start of PM Koizumi's visit to the

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United States was "fine with the PM." Noting that the White House was preparing a schedule of meetings for June 30th, Yachi added that the Prime Minister was "very enthusiastic about also visiting Memphis," and that the Japanese government was hopeful that side trip would be included in the final arrangements. "I think it's a great idea and I hope he does get to go," the Ambassador agreed, commenting that the Prime Minister had once told him that he knows more about Elvis Presley than most Americans.
SCHIEFFER